

## **CHAPTER 41 – TERMINATION OF THE QUALIFIED VENDOR AGREEMENT UPON REQUEST OF THE QUALIFIED VENDOR**

INITIAL IMPLEMENTATION DATE: April 1, 2015

INTENDED USER(S): Business Operations staff (Contract Unit and Fiscal Integrity),  
Network staff, Quality Assurance staff, Support Coordination, Qualified Vendors

REFERENCES: [A.A.C. 6-6-2100 et. seq.](#), [A.R.S. §36-2904.G](#), [Division Provider Manual Chapter 34 Provider Publications](#)

Section Six of the Qualified Vendor Agreement (Agreement) requires the following will be completed when a Qualified Vendor requests termination of its Agreement:

The Qualified Vendor shall:

- A. Provide a 60 (sixty) day written notice to the Division's Contract Management Unit setting forth the reasons for requesting termination.
- B. Submit a draft of the written notice for members/families and subcontractors, if applicable, regarding the termination to the District's Network Manager/designee for review and approval. The written notification must:
  1. Be written in 6<sup>th</sup> grade or below reading level, as specified in Chapter 34 of the Division's Provider Manual; and,
  2. Include assurance that the Qualified Vendor will assist with transitioning members to alternate providers.
- C. Mail approved letter to members/families and subcontractors, if applicable, upon receipt approval of draft letter from the Network Manager/designee and of termination acceptance notification from the Contract Manager/designee.
- D. Continue to perform in accordance with the requirements of the Agreement up to or beyond the date of termination as directed in the termination acceptance notice provided by the Contract Manager/designee.
- E. Make provisions for continuing all management/administrative services until the transition of members is completed and all other requirements of the Agreement are satisfied.
- F. Facilitate any medically-necessary appointments for care and services for members.

- G. Assist in the training of personnel, at the Qualified Vendor's own expense, as required by the Division.
- H. Ensure distribution of Client Funds to appropriate parties.
- I. Complete and submit copies of all final progress reports and other data elements to the assigned Division Support Coordinator.
- J. Pay all outstanding obligations for care rendered to members.
- K. Provide the following financial reports to the Division's Business Operations Fiscal Integrity Unit:
  - 1. A monthly claims aging report by provider/creditor including *Incurred But Not Reported* (IBNR) amounts;
  - 2. A monthly summary of cash disbursements; and,
  - 3. Copies of all bank statements received by the Qualified Vendor in the preceding month for Qualified Vendor's bank accounts.

All reports in this section shall be due on the 15th day of each succeeding month for the prior month.

- L. Submit a final claim to the Division for payment, pursuant to A.R.S. §36-2904.G.
- M. Upon termination, all goods, materials, documents, data and reports prepared by the Qualified Vendor under the Agreement shall become the property of and be delivered to the State on demand.
- N. Retain records as specified in the Qualified Vendor Agreement.
- O. Be liable to the State for any excess costs incurred by the State in procuring materials or services in substitution for those due from the Qualified Vendor.

Division's Business Operations (Contracts, Claims, and Fiscal Integrity)

- A. The Division's Business Operations Contract Unit will provide written notice of acceptance of such termination and the proposed termination date.
  - 1. The notification will be issued by the Contract Management Unit and will include information informing the Qualified Vendor of its

responsibility to notify members/families and subcontractors in writing of its intent to terminate the Qualified Vendor Agreement and outlining the transition process.

2. The Contract Management Unit will send a copy of the termination acceptance notification and the Transition Roster to the Division's Network Manager(s). The Transition Roster is a list of open authorizations for all services being provided by the Qualified Vendor.
- B. The Division's Business Operation's Fiscal Integrity Unit will verify the following financial information from the Qualified Vendor:
1. A monthly claims aging report by provider/creditor including *Incurred But Not Reported* (IBNR) amounts.
  2. A monthly summary of cash disbursements.
  3. Copies of all bank statements received by the Qualified Vendor in the preceding month for Qualified Vendor's bank accounts.
  4. All reports in this section shall be due on the 15th (fifteenth) day of each succeeding month for the prior month.

Division's District (Support Coordination, Network, and Client Funds)

The Division's District will:

- A. Review/approve the Qualified Vendor's written notice to members/families and subcontractors, if applicable, of the intent to terminate the Qualified Vendor Agreement.
- B. Attend transition meetings with the Qualified Vendor to ensure the smooth transition of members to alternate providers.
- C. Update the Transition Roster and track the authorizations for each member.
- D. Coordinate the transition of authorizations to alternate provider.
- E. Ensure all ISP documentation reflects changes.
- F. Provide updates on the Transition Roster to the Contract Management Unit regarding the transition to its completion.
- G. Remove the Qualified Vendor from all Directories.

- H. Remove the Qualified Vendor from the Vendor Call Lists.
- I. Resolve/close any open issues in the Resolution System, as appropriate.
- J. Reconcile all Client Funds for which the Division is representative payee.